AL-ANDALUS PROPERTY COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
For the three- and six-month periods ended 30 June 2026
Together with the
Independent Auditor's review report

Al-Andalus Property Company
(Saudi Joint Stock Company)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
For the three- and six-month periods ended 30 June 2026
(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF AL ANDALUS PROPERTY COMPANY
(SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Andalus Property Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)

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EY
سجل تجاري ١٠١٠٣٨٣٨٢١
CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 22 Safar 1448H
(5 August 2026)

Al-Andalus Property Company
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2026
(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment	*7*	**163,526,676**	151,255,513
Investment properties	*6*	**1,327,163,560**	1,321,792,907
Equity accounted investees	*8*	**516,665,938**	536,226,898
Total non-current assets		**2,007,356,174**	2,009,275,318
Current assets			
Receivables from operating lease		**66,424,175**	33,390,588
Prepayments and other receivables		**43,559,022**	25,571,580
Due from related parties	*12*	**2,808,778**	2,780,481
Cash and cash equivalents		**59,469,677**	84,878,415
Total current assets		**172,261,652**	146,621,064
Total assets		**2,179,617,826**	2,155,896,382
Equity			
Share capital		**933,333,330**	933,333,330
Retained earnings		**30,295,696**	17,982,480
Equity attributable to the Company's Shareholders		**963,629,026**	951,315,810
Non-controlling interests		**125,386,236**	124,611,841
Total equity		**1,089,015,262**	1,075,927,651
Liabilities			
Employees' benefits – defined benefits obligations		**16,069,648**	15,051,664
Lease liabilities		**61,897,254**	65,319,236
Islamic finance facilities	*10*	**864,530,218**	863,280,330
Total non-current liabilities		**942,497,120**	943,651,230
Advances from lessees and deferred revenue		**60,430,789**	58,196,161
Lease liabilities - current portion		**11,947,750**	13,247,750
Islamic finance facilities - current portion	*10*	**16,069,088**	16,788,760
Due to related parties	*12*	**26,984,416**	16,770,459
Zakat provision		**2,069,539**	3,431,310
Accruals and other payables		**30,603,862**	27,883,061
Total current liabilities		**148,105,444**	136,317,501
Total liabilities		**1,090,602,564**	1,079,968,731
Total equity and liabilities		**2,179,617,826**	2,155,896,382

Mr. Fawaz Bin Abdulaziz bin Huwail	Eng. Faisal Bin Abdulrahman Alnasser	Mr. Omar Bin Hamad AlMashal
Chief Financial Officer	*Chief Executive Officer*	*Authorized Board Member*

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and six-month period ended 30 June 2026
(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Revenue		**69,922,797**	53,938,522	**140,786,669**	110,346,385
Cost of revenue		**(23,569,780)**	(22,550,584)	**(47,396,635)**	(45,020,218)
Gross profit		**46,353,017**	31,387,938	**93,390,034**	65,326,167
General and administrative expenses		**(18,896,127)**	(15,246,636)	**(35,959,671)**	(29,623,894)
Marketing expenses		**(1,314,045)**	(415,703)	**(2,346,856)**	(1,228,183)
Allowance for expected credit losses		**(1,549,535)**	-	**(3,167,489)**	(435,610)
Share in profit/(loss) of equity-accounted investees	*8*	**5,919,055**	(8,078,999)	**989,040**	(12,982,558)
Other income		**430,708**	622,008	**1,730,826**	1,384,678
Operating profit		**30,943,073**	8,268,608	**54,635,884**	22,440,600
Finance cost		**(14,997,708)**	(16,718,831)	**(31,074,614)**	(33,302,711)
Gain on disposal of a subsidiary		**-**	-	**-**	3,956,055
Profit or (loss) before Zakat		**15,945,365**	(8,450,223)	**23,561,270**	(6,906,056)
Zakat		**(502,500)**	(779,531)	**(1,014,484)**	(1,204,305)
Profit or (loss) for the period		**15,442,865**	(9,229,754)	**22,546,786**	(8,110,361)
Attributable to:					
Shareholders of the Company		**10,544,726**	(10,139,011)	**12,313,216**	(10,973,088)
Non-controlling interests		**4,898,139**	909,257	**10,233,570**	2,862,727
		15,442,865	(9,229,754)	**22,546,786**	(8,110,361)
Other comprehensive income					
Items that will not be reclassified subsequently to statement of profit or loss:		**-**	-	**-**	-
Total comprehensive income (loss)		**15,442,865**	(9,229,754)	**22,546,786**	(8,110,361)
Total comprehensive income (loss) attributable to:					
Shareholders of the Company		**10,544,726**	(10,139,011)	**12,313,216**	(10,973,088)
Non-controlling interests		**4,898,139**	909,257	**10,233,570**	2,862,727
		15,442,865	(9,229,754)	**22,546,786**	(8,110,361)
Earnings / (loss) per share					
Basic and diluted earning (loss) per share	*11*	**0.11**	(0.11)	**0.13**	(0.12)

Mr. Fawaz Bin Abdulaziz bin Huwail	Eng. Faisal Bin Abdulrahman Alnasser	Mr. Omar Bin Hamad AlMashal
Chief Financial Officer	*Chief Executive Officer*	*Authorized Board Member*

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

	Share capital	Retained earnings	Equity attributable to the Company's Shareholders	Non-controlling interests	Total
Balance as at 1 January 2026 - (audited)	**933,333,330**	**17,982,480**	**951,315,810**	**124,611,841**	**1,075,927,651**
Profit for the period	-	**12,313,216**	**12,313,216**	**10,233,570**	**22,546,786**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	**12,313,216**	**12,313,216**	**10,233,570**	**22,546,786**
Dividends during the period (note 16)	-	-	-	**(9,459,175)**	**(9,459,175)**
Balance as at 30 June 2026 (unaudited)	**933,333,330**	**30,295,696**	**963,629,026**	**125,386,236**	**1,089,015,262**
Balance as at 1 January 2025 - (audited)	933,333,330	83,292,053	1,016,625,383	142,964,360	1,159,589,743
(Loss) / profit for the period	-	(10,973,088)	(10,973,088)	2,862,727	(8,110,361)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss) income for the period	-	(10,973,088)	(10,973,088)	2,862,727	(8,110,361)
Disposal of subsidiary with NCI (note 15)	-	-	-	(4,733,120)	(4,733,120)
Dividends during the period (note 16)	-	(23,333,333)	(23,333,333)	(10,750,000)	(34,083,333)
Balance as at 30 June 2025 (unaudited)	933,333,330	48,985,632	982,318,962	130,343,967	1,112,662,929

Mr. Fawaz Bin Abdulaziz bin Huwail
Chief Financial Officer

Eng. Faisal Bin Abdulrahman Alnasser
Chief Executive Officer

Mr. Omar Bin Hamad AlMashal
Authorized Board Member

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Operating activities			
Profit / (loss) for the period before Zakat		**23,561,270**	(6,906,056)
Adjustments for non-cash items:			
Depreciation:			
• Investment properties	6	**16,574,222**	16,608,207
• Property and equipment		**3,411,325**	2,695,545
Interest on lease liabilities		**3,808,018**	3,960,016
Share of (profit)/ loss from equity accounted investees		**(989,040)**	12,982,558
Allowance for expected credit loss		**3,167,489**	435,610
Employees' benefits – defined benefit obligations		**1,499,554**	1,317,756
Gain from investment in financial instruments at FVTPL		**(172,669)**	-
Gain on disposal of subsidiary		**-**	(3,956,055)
Gain on disposal of property and equipment		**(15,400)**	-
Finance cost	10	**27,266,596**	29,342,695
		78,111,365	56,480,276
Changes in:			
Receivables from operating leases		**(36,201,076)**	(17,553,516)
Prepayments and other receivables		**(11,837,442)**	(6,442,264)
Related parties' balances, net		**10,185,660**	4,054,985
Advances from lessees and deferred revenue		**2,234,628**	5,982,046
Accruals and other payables		**2,720,801**	(1,524,788)
Dividends received from equity-accounted investees		**14,400,000**	10,500,000
Cash generated from operating activities		**59,613,936**	51,496,739
Employees' benefits - defined benefit obligation paid		**(481,570)**	(274,782)
Zakat paid		**(2,376,255)**	(2,254,336)
Net cash generated from operating activities		**56,756,111**	48,967,621
Investing activities			
Additions to property and equipment		**(3,047,400)**	(13,545,361)
Additions to investment properties	6	**(34,835,894)**	(3,413,709)
Purchase of investments in financial instruments at FVTPL		**(12,000,000)**	-
Proceed from disposal of property and equipment		**271,331**	-
Proceed from disposal of financial instruments at FVTPL		**12,172,669**	40,343,803
Proceeds from disposal of subsidiary		**-**	12,232,006
Net cash (used in) generated from investing activities		**(37,439,294)**	35,616,739
Financing activities			
Proceeds from Islamic finance facilities	10	**-**	20,346,250
Payment of interest for Islamic finance facilities		**(26,736,380)**	(28,766,146)
Payment of lease liabilities		**(8,530,000)**	(7,230,000)
Dividends paid		**-**	(23,333,333)
Dividends paid to the non-controlling interests		**(9,459,175)**	(10,750,000)
Net cash used in financing activities		**(44,725,555)**	(49,733,229)
Net change in cash and cash equivalents during the period		**(25,408,738)**	34,851,131
Cash and cash equivalents at the beginning of the period		**84,878,415**	45,880,615
Cash and cash equivalents at closing of the period		**59,469,677**	80,731,746
Material non-cash transactions:			
Transfer from investment properties to property and equipment		**12,891,019**	-
Dividends receivable from associate		**6,150,000**	-

Mr. Fawaz Bin Abdulaziz bin Huwail	Eng. Faisal Bin Abdulrahman Alnasser	Mr. Omar Bin Hamad AlMashal
Chief Financial Officer	*Chief Executive Officer*	*Authorized Board Member*

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

1 REPORTING ENTITY

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 03/09/1427H corresponding to 26/09/2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under the Commercial Registration No. 1010224110 and Unified Number 7001516512 dated 17 Ramadan 1427H corresponding to 10 October 2006.

The main activities of the Company include construction, ownership and management of centers, commercial and residential complexes in addition to general contracting of residential, commercial buildings, educational, recreational, health institutions, roads, dams, water and sewage projects, electrical and mechanical works. The activities also include maintenance and operation of real estate properties, buildings and commercial complexes as well as ownership, development and investment of lands and properties for the benefit of the Company and based on its purposes.

The Company’s share capital is SR 933,333,330 divided into 93,333,333 shares with a nominal value of ⃁ 10 each.

The head office of the Company is located in Riyadh, Al Wadi District, Northern Ring Road, Al-Andalus Property Company Building.

The Group financial year starts on 1 January and ends on 31 December of each Gregorian year.

Al-Andalus Property Company is referred to as (the “Company”) or collectively with its subsidiaries disclosed in Note 3 as (the “Group”).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements (the “Interim Financial Statements”) for the six-month period ended 30 June 2026 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2025 (Prior Year Financial Statements).

These interim financial statements do not include all the information and disclosures required in the annual financial statements in accordance with requirements of International Financial Reporting Standards (IFRS Accounting Standards) issued by International Accounting Standards Board (“IASB”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). However, these interim financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

The performance for the six-month period ended on 30 June 2026, doesn’t necessarily reflect the results that could be anticipated for the year ending on 31 December 2026.

2.2 Basis of measurement

The Interim financial statements have been prepared on a historical cost basis, except:

- Defined benefit obligation - employees’ benefits which are measured at present value using the projected unit credit method.
- Financial instruments at fair value through profit or loss

2.3 Functional and presentation currency

These condensed consolidated financial statements are presented in Saudi Riyals (⃁), which is the functional currency of the company.

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(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

3 BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim financial statements include the financial statements of the company and its subsidiaries listed below as at and for the period ended 30 June 2026:

		% of shareholding	
Subsidiary's name	**Country of Incorporation**	**2026**	2025
Al-Ahli REIT Fund 1	Kingdom of Saudi Arabia	**68.73%**	68.73%
Mawared Al-Tamayuz Real Estate Company	Kingdom of Saudi Arabia	**100%**	100%
*AlAndalus Litashid Almabani Aldirasia Company	Kingdom of Saudi Arabia	**100%**	-
*Marafiq AlAndalus Allujistiyah Company	Kingdom of Saudi Arabia	**100%**	-
*Sakan AlAndalus Company	Kingdom of Saudi Arabia	**100%**	-

* These wholly owned subsidiaries have been incorporated by the Group in the current period.

Details of subsidiaries are as follows:

1. Al-Ahli REIT Fund 1

Al-Ahli REIT Fund 1 was formed in accordance with Capital Market Authority dated 11 Rabi' I 1438H (corresponding to 29 November 2017). The principal activities of the Fund are to make investments in investment properties. Currently, Al-Andalus manages the properties in the Fund through the master transfer agreement. Any change in the management of the Fund's properties will require a majority of the unit holder voting. the Fund's investments represent the below properties:

Name of property	**Location**
Alandalus Mall	Jeddah
DoubleTree by Hilton AlAndalus Mall Hotel	Jeddah
Salama Tower	Jeddah
QBIC Plaza	Riyadh

2. Mawared Al-Tamayuz Real Estate Company

Mawared Al-Tamayuz Real Estate Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010809659 dated 27 Dhul-Qidah 1443H corresponding to 26 June 2022G, Mawared Al-Tamayuz Real Estate Company holds a lease agreement of a land located in Riyadh on which Malqa Al- Andalus Tower being constructed.

3. AlAndalus Litashid Almabani Aldirasia Company

AlAndalus Litashid Almabani Aldirasia Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053499518 dated 07 Shaban 1447H corresponding to 26 January 2026G. the principal activities include construction of non-residential building such as schools, hospital, hotel, development of residential and commercial real estate. The subsidiary has not yet commenced commercial operation.

4. Marafiq AlAndalus Allujistiyah Company

Marafiq AlAndalus Allujistiyah Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053695636 dated 28 Shaban 1447H corresponding to 16 February 2026G. the principal activities include construction of non-residential building such as schools, hospital and providing the logistic services. The subsidiary has not yet commenced commercial operation.

3 BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

5. Sakan AlAndalus Company

Sakan AlAndalus Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053724915 dated 02 Ramadhan 1447H corresponding to 19 February 2026G. the principal activities include construction of residential buildings, remodeling or renovating existing residential and non-residential structures, sale and rental of real estate projects, real estate development of commercial and residential, property management and real estate agency and brokerage services, . The subsidiary has not yet commenced commercial operation.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim financial statements requires management to use judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those applied in the preparation in the Group's annual consolidated financial statements as at and for the year ended 31 December 2025.

Geopolitical developments

During the period ended 30 June 2026, the geopolitical tensions in the Middle East have escalated, leading to a state of regional instability. As of the date of issuance of these consolidated financial statements, the Group has not identified any material impact on its operations, supply chains, or financial position.

The current geopolitical situation has not materially impacted the significant accounting judgements, estimates and assumptions as at and for the period ended 30 June 2026. Management continues to monitor the geopolitical situation in the Middle East to assess if any further escalation or continuation of the conflict could result in any impact on the Group’s operations and results and any changes required will be reflected in future reporting periods.

5 AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of these interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2026, but these do not have an impact on the interim financial statements of the Group.

The new standards and amendments to standards disclosed in the Group’s annual consolidated financial statements remain unchanged.

Standards issued but not yet effective

<u>IFRS 18 Presentation and Disclosure in Financial Statements</u>

IFRS 18 'Presentation and Disclosure in Financial Statements' is effective for period beginning on or after 1 January 2027 and will replace IAS 1 'Presentation of Financial Statements'. IFRS 18 sets out new presentation requirements for the statement of profit or loss and other comprehensive income, as well as more stringent and additional requirements on the aggregation, disaggregation and categorization of income and expenses within the statement of profit or loss and other comprehensive income .

5 AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

The Group has not early adopted this accounting standard in preparing these interim condensed financial statements; however, earlier application is permitted. The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements. The Group continues to monitor IFRS 18 implementation guidance in advance of adoption for the period beginning 1 January 2027.

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements for the presentation, classification and disclosure of financial statement line items. The requirements were introduced to help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss and other comprehensive income, requiring classification of income and expenses into 5 defined categories based on the entity’s main business activities and presentation of two new mandatory subtotals;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside the Group’s financial statements (that is, management-defined performance measures);
- Enhanced principles on aggregation and disaggregation which apply to the financial statements and notes in general;
- Disclosure of nature of expenses; and
- Consequential changes to other Standards.

The Group is currently assessing the expected impact of the initial application of IFRS 18 on its financial statements.

A. Structure of the Statement of Profit or Loss
IFRS 18 requires entities to classify all income and expenses in the statement of profit or loss into the following categories: operating, investing, financing, zakat and income tax, and discontinued operations.

The above classification of income and expenses will depend on Group's specified main business activity, which is investing in real estate assets which consists of investment properties, that earn rental income

The Group’s application of IFRS 18 will not affect net profit or net assets. However, the Group will be required to present two new subtotals: operating profit and profit or loss before financing and income taxes. The operating profit subtotal under IFRS 18 differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the existing structure of the statement of profit or loss. Finance cost on employees’ benefits – defined benefits obligations is currently included within operating expenses, will be reclassified to the finance category.

IFRS 18 provides specific guidance on income and expenses classified within the investing and financing categories. The Group is currently evaluating whether gains or losses arising from investments measured at fair value through profit or loss may be appropriately classified within the investing activities. Also, the Group is evaluating whether share in profit/(loss) of equity-accounted investees may be appropriately classified within the investing activities and the finance income should be classified under investing, financing or operating activities.

5 AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

B. Management-Defined Performance Measures (MPMs)
Management-defined performance measures represent subtotals of income and expenses used in public communications outside the financial statements and reflect management's view of a particular aspect of the financial performance of the entity as a whole. The Group will be required to disclose specified information relating to management-defined performance measures in a single note to the financial statements.

The Group is currently identifying the public communications that should be considered when determining management-defined performance measures. These measures relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures that will be disclosed by the Group upon adoption of IFRS 18 will be determined based on the Group's public communications relating to the interim reporting period for 2027.

The Group is assessing whether performance measures currently communicated to investors, analysts and other stakeholders, outside the Group consolidated financial statements meets the definition of an MPM under IFRS 18.

C. Aggregation and Disaggregation Principles
IFRS 18 introduces enhanced principles regarding how information is aggregated in the financial statements and provides guidance on the material line items, expenses and income categories that may require enhanced aggregation and disaggregation or presentation (i.e., aggregation and disaggregation of line items in both the primary financial statements and the notes). It also provides guidance on the naming and description of items presented in the primary financial statements or disclosed in the notes.

The Group is currently assessing the aggregation and disaggregation of items based on similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide organized and useful summaries and will disclose additional material information in the notes.

The Group is also assessing the line items currently labeled as others, including other operating expenses and will use more informative labels or disclose the composition of such items in the notes.

D. Disclosure of Nature of Expenses
IFRS 18 requires that if any operating expenses are presented by function on the face of the statement of profit or loss and other comprehensive income, then the entity will be required to provide additional information regarding its nature in the notes to the financial statements.

The Group is currently assessing the requirements of presenting additional disclosures for the nature of expenses in the notes to the financial statements.

E. Consequential Amendments
IFRS 18 introduces consequential amendments to IAS 7 Statement of Cash Flows, requiring entities to use the new operating profit subtotal as the starting point for preparing cash flows from operating activities when using the indirect method. The Group currently uses profit for the year/period as the starting point for reconciling to cash flows generated from operating activities. As a result of the new starting point, certain reconciliation items included within that reconciliation will change.

The consequential amendments also provide specific guidance regarding the classification of cash flows related to dividends. Under this guidance, the Group is currently evaluating classification of cash flows arising from dividends paid and dividends received within financing activities.

The Group's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

6 INVESTMENT PROPERTIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost:		
Balance at the beginning of the period/ year	**1,635,627,795**	1,684,810,243
Additions during the period/ year	**34,835,894**	39,967,567
Transfer to property and equipment*	**(16,523,000)**	-
Derecognised on sale of subsidiary	**-**	(89,150,015)
Balance at the end of the period / year	**1,653,940,689**	1,635,627,795
Accumulated depreciation:		
Balance at the beginning of the period/ year	**(313,834,888)**	(310,638,059)
Depreciation charged during the period / year	**(16,574,222)**	(33,308,113)
Derecognised accumulated depreciation and Impairment on sale of subsidiary	**-**	30,111,284
Transfer to property and equipment*	**3,631,981**	-
Balance at the end of the period / year	**(326,777,129)**	(313,834,888)
Net carrying amount	**1,327,163,560**	1,321,792,907

The Group has pledged Al-Andalus Mall against Islamic financing facility that is obtained from local Bank (note 10). Also, the group pledged Yassmin Al-Andalus Tower against Islamic finance facility that is obtained from local Bank (refer note 10).

The lands and the buildings classified as investment properties were evaluated by external valuers to determine their fair value as at 31 December 2025. The fair values of the investment properties amounted to ⃁ 2.35 billion as at that date. The key assumptions used in determining the fair value of the investment properties were discount rates, occupancy rate and exit yield rate and the valuation approaches used are the income approach (discounted cash flows) and sales comparable method.

The evaluation was carried out by the external valuers accredited by the Saudi Authority for Accredited Valuers (TAQEEM), [(Esnad: TAQEEM record No. 1210000934), (QIAM: TAQEEM record No. 1210000052) (ValuStart: TAQEEM record No. 1210000320/1210001039)].

*During the current period, the management decided to use a portion of the head office building, which was previously rented out, for the Group's own operational purposes. Accordingly, this portion no longer meets the definition of investment property and has been reclassified to property and equipment due to the change in use and the related cost and accumulated depreciation were transferred from investment property to property and equipment.

The management believes that the fair values of investment properties as at 30 June 2026 do not materially differ from the fair values determined as at 31 December 2025.

7 PROPERTY AND EQUIPMENT

As of 30 June 2026, the cost of property and equipment amounted to ⃁ 263.26 million (31 December 2025: ⃁ 244.3 million) and the accumulated depreciation and impairment amounted to ⃁ 99.74 (31 December 2025: ⃁ 93.1 million).

During the year ended 31 December 2025, the Fund tested DoubleTree by Hilton AlAndalus Mall Hotel for impairment and recognized an impairment loss of SR 3 million with respect to property and equipment. The key assumptions used are discount rate, occupancy rate, and yield rate in determining the fair value and value in use using the discounted cash flow method technique.
The Group has pledged DoubleTree by Hilton AlAndalus Mall Hotel against Islamic finance facility obtained from local Bank (refer note 10).

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

8 EQUITY-ACCOUNTED INVESTEES

The details of equity-accounted investments are summarized as follows:

	% of shareholding			
	30 June 2026	31 December 2025	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Alaswaq Almutatawerah Company **	**50%**	50%	**93,560,343**	98,303,849
Hayat Real Estate Company	**25%**	25%	**195,359,656**	197,267,844
Sorooh Al Marakiz Company*	**25%**	25%	**48,962,606**	48,971,356
West Jeddah Hospital Company **	**50%**	50%	**75,016,378**	85,744,539
Al-Jawhra Al-Kubra Company	**25%**	25%	**42,641,040**	44,389,212
Massat Property Company *	**25%**	25%	**61,125,915**	61,550,098
			516,665,938	536,226,898

* These companies have not commenced commercial operations yet.

** The Group owns 50% of the shareholding of these associates and does not have control or common control over these associates.

All the equity-accounted investees are incorporated in the Kingdom of Saudi Arabia.

The movement in investments in equity-accounted investees is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period/ year	**536,226,898**	570,715,454
Addition during the period / year	**-**	6,250,000
Share of profit / (losses) from equity accounted investees for the period/ year	**989,040**	(11,488,556)
Dividends received/receivable during the period/year	**(20,550,000)**	(29,250,000)
Balance at the end of the period / year	**516,665,938**	536,226,898

The Group's share of profit/ (loss) of equity-accounted investees for the period is as follows:

	For the six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Alaswaq Almutatawerah Company	**4,556,494**	5,056,375
Hayat Real Estate Company	**9,341,812**	8,531,148
West Jeddah Hospital Company	**(10,728,161)**	(25,125,294)
Al-Jawhra Al-Kubra Company	**(1,748,172)**	(1,329,864)
Sorooh Al Marakiz Company	**(8,750)**	-
Massat Property Company	**(424,183)**	(114,923)
	989,040	(12,982,558)

The companies' financial information at and for the period ended 30 June 2026, is derived from the management reports of these companies.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

9 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement in financial instruments at FVTPL:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period/year	**-**	-
Additions during the period/year	**12,000,000**	7,000,000
Change in fair value	**172,669**	18,295
Disposed during the period/year	**(12,172,669)**	(7,018,295)
At end of the period/year	**-**	-

During the period, the Group has recognized gain of ⃁ 172,669 (30 June 2025 ⃁ 18,295) related to investment through profit and loss at SNB Capital Saudi Riyal Trade Fund managed by the Fund Manager (a related party). The fair value of the investment is determined within Level 1 in the fair valuation hierarchy.

10 ISLAMIC FINANCE FACILITIES

Movement in Islamic finance facilities during the period is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the year/period	**880,069,090**	853,400,649
Additions during the year/period	**-**	27,293,750
Finance cost during the year/period	**27,266,596**	58,793,571
Payments during the year /period	**(26,736,380)**	(59,418,880)
Balance at the end of the year/period	**880,599,306**	880,069,090
Non-current portion	**864,530,218**	863,280,330
Current portion	**16,069,088**	16,788,760

During 2019, the Group obtained an Islamic financing facility amounting to ⃁ 650 million from local bank. The facility agreement included adherence to specific financial covenants for the local bank. The Group pledged the properties (Al-Andalus Mall and DoubleTree by Hilton AlAndalus Mall Hotel), in favor of a Real Estate Company, a fully owned subsidiary of the local bank, as a guarantee against the financing. The tenor of the Islamic financing facility is 15 years. The Islamic financing facility provides a 5-year grace period during which only profit payments must be made. Following the grace period, the principal amount shall be repaid over 10 years on a quarterly basis. Further, an amendment to the Islamic financing agreement was signed and the type of facility was changed from Ijara to Murabaha. During 2025, the tenure of the financing was revised and the outstanding financing balance became payable in July 2029. Accordingly, the financing balance was disclosed as non-current. The facility limit was increased to ⃁ 760 million instead of ⃁ 650 million. An additional amount of the facility of ⃁ 27.29 million and ⃁54 million was utilized during 2025 and 2024.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

10 ISLAMIC FINANCE FACILITIES (continued)

During 2023, the Group obtained an Islamic finance facility from the local bank amounting to ⃁ 143.1 million to finance the acquisition transaction of Yassmin Al-Andalus Tower in Al-Yasmeen district, Riyadh city. The term of the facility is 7 years, and payments must be made after one year from the date of withdrawal in the form of incremental annual installments for a period of 7 years, with the last installment due on the date of termination. The Group pledged Yassmin Al-Andalus Tower having a carrying value of ⃁ 193.1 million as at reporting date, classified within investment properties to the local bank as a guarantee against the financing. The Group also approved to waive the rental returns and transfer them directly to the Group account at the local bank.

The financing is subject to commission rates based on SIBOR plus an agreed commission rate. The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained, otherwise the loan will be repayable on demand.

The Islamic finance facilities agreements contain financial covenants that should be maintained at certain thresholds, the Group monitor the compliance of the loan covenants and reconcile with the lending bank on timely basis in case of breach.

11 EARNINGS (LOSS) PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit /(loss) for the period	**10,544,726**	(10,139,011)	**12,313,216**	(10,973,088)
Weighted average number of outstanding ordinary shares	**93,333,333**	93,333,333	**93,333,333**	93,333,333
Basic and diluted earnings (loss) per share (⃁)	**0.11**	(0.11)	**0.13**	(0.12)

The diluted earnings per share is equal to the basic earnings per share for the periods ended 30 June 2026, and 30 June 2025 as there are no instruments with diluted impact on earnings per share.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

For the purpose of these interim condensed consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. The transactions with related parties are made on terms approved by the Board of the Directors of the Group. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these condensed consolidated financial statements.

The details of transactions with related parties are mentioned below:

Related party name	**Relationship**	**Nature of the transaction**	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Hayat Real Estate Company	Associate	Operating income and expenses paid on behalf	**10,897,327**	7,432,097
SNB Capital Company	Fund manager of a subsidiary	Operating Services	**10,933,085**	10,638,125
Al-Jawhara Company	Associate	Funds provided	**-**	12,946,250
Al Aswaq Al Mutatawerah Company	Associate	Expenses paid on behalf	**138,000**	-

The details of balances with related parties are mentioned below:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Due from related parties		
Hayat Real Estate Company	**2,285,014**	2,780,481
Al Aswaq Al Mutatawerah Company	**138,000**	-
SNB Bank	**385,764**	-
	2,808,778	2,780,481
Due to related parties		
SNB Capital Company	**26,984,416**	16,770,459

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

13 SEGMENTS REPORTING

The Group's activities include a number of segments as follows: -

Reportable segments	Activity
Retail and operation sector	This includes rented out commercial units of certain investment properties utilized as malls and for operation of the malls.
Hospitality sector	This includes entities engaged in providing hospitality service (DoubleTree by Hilton AlAndalus Mall Hotel).
Office sector	This includes rent for commercial units from investment properties (Salama Tower, QBIC Plaza, Yassmin Al-Andalus Tower).

	Retail sector	Hospitality sector	Office sector	Unallocated	Total
For the six-month period ended 30 June 2026 (Unaudited)					
Revenue	**91,047,132**	**10,944,727**	**38,794,810**	**-**	**140,786,669**
Cost of revenue	**(25,053,979)**	**(12,597,889)**	**(9,744,767)**	**-**	**(47,396,635)**
Share of profit from equity-accounted investees	**-**	**-**	**-**	**989,040**	**989,040**
Expenses	**(35,703,608)**	**(701,295)**	**(21,058,039)**	**(11,918,199)**	**(69,381,141)**
Allowance for expected credit loss	**(3,167,489)**	**-**	**-**	**-**	**(3,167,489)**
Other income	**-**	**-**	**-**	**1,730,826**	**1,730,826**
Profit before Zakat	**27,122,056**	**(2,354,457)**	**7,992,004**	**(9,198,333)**	**23,561,270**
As at 30 June 2026 (unaudited)					
Total assets	**737,230,705**	**145,465,953**	**759,246,433**	**537,674,735**	**2,179,617,826**
Total liabilities	**345,899,483**	**16,624,435**	**709,332,271**	**18,746,375**	**1,090,602,564**

The Group reviews internal reports for each sector on a quarterly basis at a minimum.

The information related to each reportable sector is as follows: Net sector profit before zakat is used to measure performance as the Group's management believes that this information is the most relevant in assessing the results of the relevant sector compared to other companies operating in the same industry. Control over housing units rental services is transferred over time, while control over hospitality services is transferred at a point in time.

Information about geographic regions
All of the Group operating sectors operate within the borders of the Kingdom of Saudi Arabia.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

13 SEGMENTS REPORTING (continued)

	Retail sector	Hospitality sector	Office sector	Unallocated	Total
For the six-month period ended 30 June 2025 (Unaudited)					
Revenue	74,284,231	7,422,445	28,639,709	-	110,346,385
Cost of revenue	(26,408,948)	(9,880,944)	(8,730,326)	-	(45,020,218)
Share of profit from equity accounted investees	-	-	-	(12,982,558)	(12,982,558)
Expenses	(30,353,242)	-	(22,153,036)	(11,648,510)	(64,154,788)
Allowance for expected credit loss	(435,610)	-	-	-	(435,610)
Gain on disposal of subsidiary	-	-	-	3,956,055	3,956,055
Other income	-	-	-	1,384,678	1,384,678
Profit before Zakat	17,086,431	(2,458,499)	(2,243,653)	(19,290,335)	(6,906,056)
As at 31 December 2025 (audited)					
Total assets	727,571,415	147,270,268	732,800,770	548,253,929	2,155,896,382
Total liabilities	338,385,467	16,880,084	706,694,949	18,008,231	1,079,968,731

14 DETERMINATION OF FAIR VALUES, CLASSIFICATION AND RISK MANAGEMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and at prevailing market conditions regardless of the fact that price is directly identified or estimated using other valuation technique.

All assets and liabilities whether these are measured at fair value or not, are disclosed in the financial statements in accordance with the hierarchical levels of fair value measurements as stated below are classified into the respective hierarchy based on the lowest level of input which is considered significant for measuring the fair value as a whole.

Level 1: Declared (unadjusted) and quoted market prices in active markets for the same or identical instruments.

Level 2: valuation techniques that use inputs that are directly or indirectly observable or tracked for an instrument other than declared / quoted prices mentioned in level 1.

Level 3: valuation techniques for which significant inputs are used that are unobservable or not tracked for an instruments.

The Group is exposed to risks as a result of using financial instruments. The following explains the Group's objectives, policies and operations to manage these risks and methods used to measure them in addition to quantitative information related to these risks in the accompanying financial statements.

There were no significant changes that may expose the Group to financial instrument risks through its objectives, polices and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

15 DISPOSAL OF SUBSIDIARY

On February 27, 2025, the board of directors of the group approved to sale the total interest owned (70%) in the subsidiary "Manafea Al-Andalus Company" and the contract has been signed between the Group and the buyer "Saudi Tourism Development Company" on February 27, 2025, for a total value of ⃁ 15 Million, the parties agreed that the sales effective transaction date and the shares shall be sold based on the balances of subsidiary as at 1st January 2025. The deal has resulted in a gain of ⃁ 3.9 million.

	As at 1 January 2025
Consideration received	**15,000,000**
Net Value of net assets of subsidiary	**(11,043,945)**
Net gain on disposal of subsidiary	**3,956,055**
Net assets of subsidiary sold at the date of disposal	**15,777,065**
Less: Value of NCI at the date of disposal	**(4,733,120)**
Net Value of net assets of subsidiary	**11,043,945**

Financial Information at the date of disposal for subsidiary as follows:

	As at 1 January 2025
ASSETS	
Property and equipment	**334,621**
Investment properties (Note 6)	**59,038,731**
Receivables from operating lease	**3,118,819**
Prepayments and other receivables	**4,227,156**
Cash and cash equivalents	**2,767,994**
Total assets	**69,487,321**
Liabilities	
Lease liabilities	**50,967,487**
Advances from lessees and deferred revenue	**2,186,269**
Due to related parties	**17,857**
Accruals and other payables	**367,274**
Zakat provision	**171,369**
Total liabilities	**53,710,256**
Net Assets	**15,777,065**

(All amounts are expressed in Saudi Riyal (⃁) unless otherwise stated)

15 DISPOSAL OF SUBSIDIARY (continued)

Effect of disposal on the cash flow:

Investment property	**59,038,731**
Receivables from operating lease	**3,118,819**
Prepayments and other receivables	**4,227,156**
Property and equipment	**334,621**
Due to related parties	**(17,857)**
Advance From lease	**(2,186,269)**
Accruals and other payables	**(367,274)**
Zakat payable	**(171,369)**
Obligation under operation lease	**(50,967,487)**
Other debit balance	**(5,000,000)**
Profit from disposal	**3,956,055**
Non-controlling interest	**(4,733,120)**
Disposal of subsidiary, net of cash disposed of	**7,232,006**

Consideration in received	**15,000,000**
Other debit balance	**(5,000,000)**
Cash and cash equivalent disposed	**(2,767,994)**
Proceed from disposal of subsidiary, net of cash disposed of	**7,232,006**

16 DIVIDENDS

30 June 2026
On 30 March 2026, the Board of Directors of Al Ahli Reit Fund (1) (subsidiary) approved the distribution of dividend amounting to ⃁ 30.25 million (⃁ 0.22 per unit) and ⃁ 9.45 million pertains to non-controlling interest and such dividends were paid during the period.

30 June 2025
On 23 March 2025, the Board of Directors decided pursuant to the authorization of the general assembly to distribute interim dividends of ⃁ 23.3 million (⃁ 0.25 per share) and such dividends were paid on 29 April 2025.

17 SUBSEQUENT EVENTS

On 5 July 2026, one of the subsidiaries, Al Andalus for Educational Buildings Construction Company, acquired a parcel of land designated for educational use in the Al Naseem District of Riyadh for a consideration of ⃁ 23,650,000. In addition, an agreement was signed with Ajyal Private Schools Company for the development and lease of a dual-curriculum educational complex.

This transaction was financed through a long-term Tawarruq financing facility obtained from a local bank amounting to ⃁ 48 million for a period of 8 years. The facility is secured by a pledge over the title deed of the acquired property and a promissory note.

No other subsequent events have occurred after the reporting date that would require adjustment to, or disclosure in, these interim financial statements.

18 APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 22 Safar 1448H (corresponding to 5 August 2026).